

KEPPEL OPP'N EXH. 110

From: Marcel Abe </O=FIRST ORGANIZATION/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=MARCEL ABE9D2>
To: Pritpal Aujla
CC: Ronnie Hawkins; Jose Magela Bernardes; Gabriel Meira; Paul Clatterbuck
Sent: 9/2/2014 5:34:35 PM
Subject: RE: Sete additional short term capital requirement

Pritpal, we discussed this at IC today, and will move forward with the capital call. Blair mentioned he'd be reaching out to you. Updated details below:

- Timing: Sep/17
- Amount: BRL 200,223,981.75

Thanks

From: Pritpal Aujla
Sent: Friday, August 29, 2014 11:24 AM
To: Ronnie Hawkins
Cc: Marcel Abe
Subject: Re: Sete additional short term capital requirement

thanks

On Aug 29, 2014, at 10:17 AM, "Ronnie Hawkins" <Ronnie.Hawkins@eigpartners.com> wrote:

We will discuss this at IC on Tuesday.

From: Pritpal Aujla
Sent: Friday, August 29, 2014 9:58 AM
To: Marcel Abe
Cc: Ronnie Hawkins
Subject: Re: Sete additional short term capital requirement

10 business days but I have other options including credit lines and there is also cash coming in from other realizations which may cover. Thanks for timing update - I have what I need to figure out how to get the cash in place but please do keep me updated. thanks

On Aug 29, 2014, at 9:49 AM, "Marcel Abe" <Marcel.Abe@eigpartners.com> wrote:

Total amount approx US\$88 million.
Timing: Sep/18 (to be approved by the board on Sep/10)
Probability: High
Will keep you updated. How much time would we need to call capital from XIV?
Thanks

On Aug 29, 2014, at 9:08 AM, "Pritpal Aujla" <Pritpal.Aujla@eigpartners.com> wrote:

please keep me updated on the ask (timing, amount, probability) - XV has cash and risk is we will need time to call capital from XIV

Begin forwarded message:

From: Jonathan Hui <Jonathan.Hui@eigpartners.com>

Date: August 29, 2014 at 3:02:31 AM EDT

To: Paul Clatterbuck <paul.clatterbuck@eigpartners.com>

Cc: Pritpal Aujla <Pritpal.Aujla@eigpartners.com>, Christine Best <Christine.Best@eigpartners.com>, Carly Wasik <Carly.Wasik@eigpartners.com>

Subject: Re: Sete additional short term capital requirement

Pritpal, Paul,

Fund XV has capacity under the umbrella facility, especially since I have not gotten any updates regarding Abengoa II and GreenKo.

Regards,
Jonathan

Sent from my iPhone

On Aug 28, 2014, at 5:23 PM, "Paul Clatterbuck" <paul.clatterbuck@eigpartners.com> wrote:

Hello all,

Just passing along ASAP - If this full funding goes through, which appears likely even if EIG does not approve, Fund XIV cash availability may be a constraint. From what I can tell we are already \$36m drawn on the XIV revolver so we would need a capital call as soon as Tuesday.

Probably best for Pritpal to open a line to Marcel/Ronnie tomorrow.

[Description: Description: Description: Description: 6767EIG_LOGO_4C]

Paul Clatterbuck › Associate › paul.clatterbuck@eigpartners.com <<mailto:paul.clatterbuck@eigpartners.com>>
1700 Pennsylvania Ave. NW › Suite 800 › Washington, DC 20006 › (o) 202.600.3352 › (f) 202.600.4242

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From: Ronnie Hawkins

Sent: Thursday, August 28, 2014 7:27 PM

To: Marcel Abe

Cc: Jean-Daniel Borgeaud; Jose Magela Bernardes; Simon Hayden; Hoshirav Patel; Emiliano Vovard; Paul Clatterbuck; Jonathan Hui

Subject: Re: Sete additional short term capital requirement

Prepare 5 page overview for submission tomorrow by 12 pm. We will put on the agenda for Investment Committee. Background Page, overall what is going on with Sete (progress, etc), what they are asking for, impact on our returns and what you are asking to do.

From: Marcel Abe

Sent: Thursday, August 28, 2014 7:23 PM

To: Ronnie Hawkins

Cc: Jean-Daniel Borgeaud; Jose Magela Bernardes; Simon Hayden; Hoshirav Patel; Emiliano Vovard; Paul Clatterbuck; Jonathan Hui

Subject: RE: Sete additional short term capital requirement

As anticipated a few weeks ago, Sete has announced they will be requesting approval to move forward with option #3 (from my previous email: anticipation of capital calls), due to the following reasons:

- Delay in alternative short term financing solutions: Sete is raising 2 bridges in the total amount of \$400 – 500 million, which would be enough to cover September expenses. Froes (CFO) expected they would be able to complete the process quickly enough to avoid the requirement of additional capital, however he now believes they won't be able to complete it on time (which is why they took a few weeks to make the current request)
- Very little support from some shareholders for alternatives 1 (notes payable) and 2 (capital increase), coupled with the lead time required to implement them by some of the pension funds.

Therefore, they are asking for approval to anticipate a capital call of R\$3,267 million (EIG's share: approx. US\$ 87 million) on September 18, 2014. Such funds would be used to:

- Prepay bridge 3 (US\$1.1 bn, or approx. R\$2.5bn), that has as guarantee the R\$3,267 million in committed capital.
- The balance of approx. R\$753 million (unlocked after prepaying bridge 3) would be used to pay commitments with shipyards and other suppliers in September and October.

Sete would still require the 2 new bridges to have enough capital to cover capex until BNDES/FINISA long term financing is disbursed, which is expected to take place in November/2014.

We are analyzing the impact on our returns which could be significant based on preliminary assessment ([100 – 200]bps impact). Given that this matter could be approved with a 75% majority in the next quota holders' meeting at FIP Sondas (Sep/11) and the alternative solutions cannot be implemented on time, it is likely we will have no other option but to approve this request.

Regarding timing, they need the funds to be disbursed by Sep/18 – I've discussed with Paul and understand we would need around 12 business days in order to call capital from investors, and therefore in order to comply with the due date we'd have to start the process early next week.

Therefore, we are requesting your endorsement to start the capital call process on Funds XIV and XV for the required amount.

Thanks,

From: Marcel Abe
Sent: Friday, August 1, 2014 7:55 PM
To: Ronnie Hawkins
Cc: Jean-Daniel Borgeaud; Jose Magela Bernardes; Simon Hayden; Hoshirav Patel; Emiliano Vovard; Paul Clatterbuck; Jonathan Hui
Subject: Sete additional short term capital requirement

Ronnie,

As we have anticipated in our last Brazil call, Sete's management officially communicated to the shareholders that they might be facing short term liquidity problems over the next few months (Aug – Oct'14); it is highly likely the company won't have enough cash to pay commitments with shipyards and other suppliers starting in

the end of August' 14 until LT financing is effectively disbursed – November in the base case scenario (previous expectation was Sep/Oct).

Therefore, Sete's management will be requesting a position from all of its shareholders regarding the appetite for the following alternatives to raise additional funding:

1. \$760 million in notes payable
 - a. 1 year term
 - b. Prepaid with disbursement of Finisa LT financing excepted for Dec' 14
 - c. Subscribed by market and backstopped by current shareholders
2. \$760 million capital increase (in addition to committed capital) – EIG's share: ~\$46m.
3. Complementary to 1 and/or 2, since part of the committed equity capital (R\$3.73bn) needs to be retained as guarantee to bridge 3 (R\$3 bn), another solution is to have a capital call to prepay this bridge, and as a result release R\$700 – 800 million in committed capital. However, this amount is not sufficient to bridge the 3-month gap.

Please notice that this is a short term liquidity problem, and is not related to the potential R\$3.0 – 4.5bn in additional equity that the company might require in the future due to capex overruns and adjustments in capital structure, among others.

The company is preparing materials to provide more information regarding the alternatives to be assessed, and there will be follow up meetings among shareholders/company to discuss the issue in more detail. As it stands now, we are inclined to recommend them to move ahead with 3, which would buy them some time and also reduce the required amount of funding from alternatives 1 and/or 2. We will keep you posted on new developments.

Thanks,

[Description: Description: 6767EIG_LOGO_notag_4C.jpg]

EIG Global Energy (Brasil) Representações Ltda.

Marcel Abe, CFA › Vice President › marcel.abe@eigpartners.com<<mailto:marcel.abe@eigpartners.com>>

Praia de Botafogo, 228 Cj 1101 - Botafogo › Rio de Janeiro, RJ › Brasil CEP: 22250-040 › (o) +55 21 3550 7473 › (m) +55 11 99493 4774

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